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Croatia Wine Brief

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Wine

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Report Highlights:

Croatia provides a unique opportunity for U.S. wine exporters to position their product in this future EU member country. U.S. wine exporters should focus their market entry efforts on Zagreb, the nation's capital, where niches exist for medium and higher quality wines.

General Information:

Market Situation

Domestic wine production is a very important segment of Croatian agriculture and also plays an important role in tourism, which is an important segment of the Croatian economy. Croatia has a rich tradition of grape cultivation and wine production. In the fourth century B.C., Greek colonist started wine production on the Adriatic coast. Romans and later modern day Croatians built on the Greek grape cultivation tradition. The quality of Croatian wines improved following Croatia's succession from the former-Yugoslavia to reach a high quality level in recent years.

According to the Croatian Chamber of Economy, Croatia's 2008 industrial, wine production was 38.1 million liters (l). However some estimate that total wine production in Croatia is over 100 million liters. Nevertheless, recorded wine trade in Croatian Center for Agriculture, Food and Rural Affairs - Institute for Viticulture, Enology and Fruit Growing in 2009 was a bit over 65 million liters and in 2008 it was 59 million liters. According to the Croatian Central Bureau of Statistics in 2009 Croatian farmers cultivated 34,000 hectares of vineyards and produced 206,437 MT of grapes. Additionally, Global Trade Atlas shows that, Croatia's 2009 wine imports totaled at 13.36 million liters, valued at \$21.79 million. Discrepancies in the statistics should be resolved when Croatia fully establishes Vineyard Register, which is planed to be done by the end of 2010 and is one of the requirements for Croatian EU accession.

Imports from the United States currently are small although this product has no trade barriers (phytosanitary and/or food safety issues) except relatively high tariffs (see <http://www.carina.hr>). However, these tariff will decrease when Croatia' joins the EU, which is expected in 2012. In addition to direct imports, Croatia indirectly imports a significant amount of US wines from EU countries.

To understand wine consumption in Croatia, it should be noted that for years the Croatian consumer had little choice but to consume domestic wines. However, after Croatia's independence, the wine market opened and foreign wines began to enter the country. Because Croatians take great pride in their own wines, the market for foreign wines did not change overnight. Instead, the market is still developing and is expected to grow with the standard of living. This is especially true for the market segment of medium to higher quality wines and for consumers in Zagreb, the Croatian capital, where people have higher income and want to experiment with new wines and tastes.

Croatia: Imports and Exports of Wine

Croatia Import Statistics, UDG: wines, wine and sparkling wine								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2009/2008
		2007	2008	2009	2007	2008	2009	
World	L	15,330,925	14,056,419	13,363,787	100.00	100.00	100.00	- 4.93
Macedonia	L	10,023,258	8,881,093	8,300,605	65.38	63.18	62.11	- 6.54
Bosnia & Herzegovina	L	1,562,806	1,846,903	1,941,187	10.19	13.14	14.53	5.10
Serbia	L	284,417	659,584	1,038,749	1.86	4.69	7.77	57.49
Slovenia	L	1,462,797	1,111,049	848,636	9.54	7.90	6.35	- 23.62
Italy	L	252,572	235,628	323,455	1.65	1.68	2.42	37.27
Germany	L	173,251	209,331	213,388	1.13	1.49	1.60	1.94
France	L	241,828	219,920	159,345	1.58	1.56	1.19	- 27.54
Spain	L	252,794	181,120	156,346	1.65	1.29	1.17	- 13.68
Chile	L	476,589	326,548	98,846	3.11	2.32	0.74	- 69.73
Australia	L	162,414	95,545	82,624	1.06	0.68	0.62	- 13.52
South Africa	L	93,322	76,780	59,504	0.61	0.55	0.45	- 22.50
Montenegro	L	141,963	40,986	39,962	0.93	0.29	0.30	- 2.50
Bulgaria	L	39,543	28,863	38,103	0.26	0.21	0.29	32.01
United States	L	28,326	42,192	20,416	0.18	0.30	0.15	- 51.61
Argentina	L	40,883	25,692	19,890	0.27	0.18	0.15	- 22.58
Austria	L	34,306	31,903	6,394	0.22	0.23	0.05	- 79.96
Hungary	L	9,496	14,015	5,760	0.06	0.10	0.04	- 58.90
New Zealand	L	3,198	8,456	3,203	0.02	0.06	0.02	- 62.12
Portugal	L	13,367	14,974	2,866	0.09	0.11	0.02	- 80.86
Greece	L	0	1,044	1,571	0.00	0.01	0.01	50.43
The rest	L	33,795	4,793	2,937				

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Croatia Export Statistics, UDG: wines, wine and sparkling wine								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2009/2008
		2007	2008	2009	2007	2008	2009	
World	L	3,007,746	2,636,122	2,603,475	100.00	100.00	100.00	- 1.24
Bosnia & Herzegovina	L	1,450,620	1,272,504	1,233,734	48.23	48.27	47.39	- 3.05
Germany	L	833,639	731,887	803,119	27.72	27.76	30.85	9.73
Serbia	L	77,635	83,872	107,116	2.58	3.18	4.11	27.71
Italy	L	200,089	143,261	77,640	6.65	5.43	2.98	- 45.81
Switzerland	L	45,748	31,335	56,707	1.52	1.19	2.18	80.97
Austria	L	39,590	53,740	56,248	1.32	2.04	2.16	4.67
Montenegro	L	47,312	62,872	54,374	1.57	2.39	2.09	- 13.52
United States	L	53,676	45,341	43,988	1.78	1.72	1.69	- 2.98
Slovenia	L	65,466	43,747	42,081	2.18	1.66	1.62	- 3.81
Belgium	L	29,349	16,241	34,568	0.98	0.62	1.33	112.85
China	L	0	18,303	17,082	0.00	0.69	0.66	- 6.67
Russia	L	91,503	24,741	17,015	3.04	0.94	0.65	- 31.23
Czech Republic	L	15,184	15,348	10,932	0.50	0.58	0.42	- 28.77
Japan	L	2,320	4,461	10,494	0.08	0.17	0.40	135.24
United Kingdom	L	10,682	10,392	7,979	0.36	0.39	0.31	- 23.22
Slovakia	L	9,770	16,656	7,200	0.32	0.63	0.28	- 56.77
France	L	3,987	9,716	4,472	0.13	0.37	0.17	- 53.98
Luxembourg	L	0	1,314	3,606	0.00	0.05	0.14	174.43
Netherlands	L	4,511	12,187	3,151	0.15	0.46	0.12	- 74.15
Poland	L	5,085	7,650	2,857	0.17	0.29	0.11	- 62.66
Canada	L	14,397	11,526	2,628	0.48	0.44	0.10	- 77.20
Australia	L	1,170	248	1,869	0.04	0.01	0.07	655.15
Spain	L	850	0	1,665	0.03	0.00	0.06	0.00
The rest	L	5,163	18,780	2,950				

Croatia Import Statistics, UDG: wines, wine and sparkling wine							
Year To Date: January - December							
Partner Country	United States Dollars			% Share			% Change 2009/2008
	2007	2008	2009	2007	2008	2009	
World	26,454,351	26,780,170	21,791,186	100.00	100.00	100.00	- 18.63
Macedonia	11,290,706	12,103,684	11,107,702	42.68	45.20	50.97	- 8.23
Bosnia & Herzegovina	1,903,832	2,190,340	2,123,839	7.20	8.18	9.75	- 3.04
France	3,869,688	4,053,343	1,815,758	14.63	15.14	8.33	- 55.20
Slovenia	2,951,579	2,196,694	1,620,692	11.16	8.20	7.44	- 26.22
Italy	1,076,884	1,236,664	1,077,207	4.07	4.62	4.94	- 12.89
Serbia	437,926	780,444	1,050,603	1.66	2.91	4.82	34.62
Spain	978,289	862,981	766,639	3.70	3.22	3.52	- 11.16
Germany	607,456	672,949	523,235	2.30	2.51	2.40	- 22.25
Australia	738,677	591,842	457,032	2.79	2.21	2.10	- 22.78
Chile	951,692	717,253	422,445	3.60	2.68	1.94	- 41.10
South Africa	265,303	328,104	181,300	1.00	1.23	0.83	- 44.74
United States	146,570	196,130	162,260	0.55	0.73	0.74	- 17.27
Montenegro	501,733	152,653	145,090	1.90	0.57	0.67	- 4.95
Argentina	182,880	128,807	98,544	0.69	0.48	0.45	- 23.49
Bulgaria	87,838	72,255	90,863	0.33	0.27	0.42	25.75
Austria	122,527	154,728	53,881	0.46	0.58	0.25	- 65.18
Hungary	49,513	68,538	25,158	0.19	0.26	0.12	- 63.29
New Zealand	28,260	74,457	24,470	0.11	0.28	0.11	- 67.14
Portugal	98,185	149,544	23,398	0.37	0.56	0.11	- 84.35
Greece	0	9,058	8,029	0.00	0.03	0.04	- 11.36
The rest	164,813	39,702	13,041				

Croatia Export Statistics, UDG: wines, wine and sparkling wine							
Year To Date: January - December							
Partner Country	United States Dollars			% Share			% Change 2009/2008
	2007	2008	2009	2007	2008	2009	
World	13,666,555	13,793,295	12,610,546	100.00	100.00	100.00	- 8.57
Bosnia & Herzegovina	6,609,219	6,405,034	5,575,868	48.36	46.44	44.22	- 12.95
Germany	3,372,411	3,383,647	3,522,807	24.68	24.53	27.94	4.11
Serbia	556,949	568,663	680,164	4.08	4.12	5.39	19.61
Austria	333,474	473,739	454,656	2.44	3.43	3.61	- 4.03
Montenegro	361,014	625,214	439,348	2.64	4.53	3.48	- 29.73
Switzerland	272,620	211,827	354,039	1.99	1.54	2.81	67.14
United States	535,957	454,903	344,782	3.92	3.30	2.73	- 24.21
Slovenia	197,669	268,030	234,231	1.45	1.94	1.86	- 12.61
Belgium	138,568	90,257	225,067	1.01	0.65	1.78	149.36
Italy	274,320	232,010	130,355	2.01	1.68	1.03	- 43.81
United Kingdom	123,052	140,666	123,842	0.90	1.02	0.98	- 11.96
Russia	543,764	134,976	120,517	3.98	0.98	0.96	- 10.71

Japan	23,461	49,009	98,500	0.17	0.36	0.78	100.98
China	0	106,501	64,020	0.00	0.77	0.51	- 39.89
Czech Republic	73,252	104,828	51,471	0.54	0.76	0.41	- 50.90
France	27,731	44,395	50,201	0.20	0.32	0.40	13.08
Slovakia	43,188	84,786	30,558	0.32	0.61	0.24	- 63.96
Netherlands	23,793	135,990	19,603	0.17	0.99	0.16	- 85.58
Luxembourg	0	9,156	18,937	0.00	0.07	0.15	106.83
Poland	43,814	60,768	18,893	0.32	0.44	0.15	- 68.91
Spain	1,455	0	14,664	0.01	0.00	0.12	0.00
Australia	7,934	2,664	14,267	0.06	0.02	0.11	435.55
Canada	63,394	54,060	9,673	0.46	0.39	0.08	- 82.11
The rest	39,516	152,172	14,083				

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Import Procedure

Incoming goods must go through customs storage at transport terminals or airports. After the goods arrive at the customs storage, the importer or freight forwarder should start procedures for checking and clearing goods, which includes special documents that should be sent to the inspection departments and the Customs Office. Customs clearance and removal from storage is carried out under the supervision of a customs officer who compares the documents with the commodities after they were checked by inspectors.

Imported wine must have a quality certificate from the appropriate institution of the exporting country. If the exporting country is not an EU member country than the importer must get a quality certificate from the Croatian Center for Agriculture, Food and Rural Affairs - Institute for Viticulture, Enology and Fruit Growing to be able to place the product on the Croatian market. Additionally, for wine to be placed on the market the Croatian Center for Agriculture, Food and Rural Affairs - Institute for Viticulture, Enology and Fruit Growing needs to issue a Decision on Placing on the Market. In Croatia wine is considered a product for which an excise tax and special tax on alcohol needs to be paid.

For the import procedure it is of outmost importance for the exporter to have a reliable freight forwarder and/or a friendly and trustworthy trade partner.

Requirements for Import

Generally, if a shipment can pass EU border inspection, it can pass Croatian border inspection.

Tariffs 2009

The latest applied custom rates are on the following web page: <http://www.carina.hr>

Key Contacts and Additional Information

A list of Croatian wine importers is available to U.S. exporters and can be obtained by contacting:

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